

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	:
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i>,	:
	:
Debtors.	:
	:
-----X	

Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)

**ORDER GRANTING APPLICATION
OF THE DEBTORS PURSUANT TO SECTION
327(a) OF THE BANKRUPTCY CODE TO RETAIN
AND EMPLOY SOTHEBY'S AS ITS AUCTION HOUSE**

Upon the Application, dated June 3, 2010 (the "Application"),¹ of Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors"), pursuant to section 327(a) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), for authority to retain and employ Sotheby's as its auction house, in connection with the public auction of the Collection, as more fully set forth in the Application; and upon consideration of the Affidavit of Richard Buckley, a Executive Vice President at Sotheby's, sworn to June 3, 2010, filed in support of the Application, a copy of which is attached to the Application as Exhibit C (the "Buckley Affidavit"); and the Court being satisfied, based on the representations made in the Application and the Buckley Affidavit, that Sotheby's represents or holds no interest adverse to the Debtors or their estates and is disinterested under section 101(14) of the Bankruptcy Code; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Application.

11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided in accordance with the procedures set forth in both the amended order entered on February 13, 2009 governing case management and administrative procedures for these cases [Docket No. 2837] on (i) the U.S. Trustee; (ii) the attorneys for the Creditors' Committee; (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the United States Attorney for the Southern District of New York; and (vi) Sotheby's; and the Court having found and determined that the relief sought in the Application is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is

ORDERED that the Application is granted;

ORDERED that, pursuant to section 327(a) of the Bankruptcy Code, the Debtors are authorized to retain and employ Sotheby's as its auction house with respect to the disposition of the Collection, on the terms and conditions set forth in the Agreement; provided, however, that notwithstanding anything contained in said agreement to the contrary, LBHI shall not indemnify Sotheby's to the extent any applicable claim, action, damage, loss, liability or expense arises from Sotheby's bad faith, self-dealing, breach of fiduciary duty (to the extent one exists), negligence, willful misconduct, criminal conduct, or the disclosure of confidential information; and it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York
June 17, 2010

s/ James M. Peck
UNITED STATES BANKRUPTCY JUDGE